

## **Program B: Marketing Programs**

Program Authorization: R.S. 36:628(B)

### **PROGRAM DESCRIPTION**

The mission of the Marketing Program is to increase the processing and sales of Louisiana food and agricultural products of producers and agribusinesses in order to enhance the economic well-being of the State of Louisiana through the individuals and businesses whom we serve. The goal of the Marketing Program is to create and sustain markets and affect jobs through its development of value-added food, agriculture and forestry products industries by way of financial assistance and counsel. To carry out this goal, the program operates financial, informational, promotional and market development activities. Financial assistance is provided through the State Market Commission, the Louisiana Alligator Market Development Authority, the Louisiana Alligator Market Development Authority and the Louisiana Agricultural Finance Authority. Loans, loan guarantees, loan rate buy downs and low interest loans are provided to agribusiness for the for the acquisition, construction, expansion or improvement of facilities that process, store or market food (including seafood), agriculture and forest products; to agribusiness for operating capital, market development & product inventories; and to youth who are involved in an organized school program in agriculture, i.e. 4-H and FFA projects. Informational assistance programs are provided to the general public, farmers and agribusinesses through the Federal-State Market News Service and Market Bulletin. The Market News Service collects and disseminates price and market information on livestock, poultry and eggs, rice, grains, sweet potatoes, fruits and vegetables. The Market Bulletin provides for the advertising of agricultural items for sale to subscribers resulting in the sale/purchase of items not normally available in commercial trade channels. Promotional and market development programs serve farmers, agribusinesses, food companies and the consumer through state, national and international trade shows, supermarket promotions market research, commodity promotions, targeted market development assistance and other activities. The program also includes assistance in the collection of assessments for numerous commodity boards and commissions, and the development and implementation of promotion and market development activities of theses boards and commissions. The activities of this program are Administrative, Market Development, and Louisiana Agricultural Finance Authority.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) To create or sustain at least 5,800 jobs in the agribusiness sector through a revolving loan fund, a loan guarantee strategy and other efforts.

Strategic Link: This objective accomplishes Strategic Objective 1 - To retain, expand and grow new agribusinesses in Louisiana and to provide low interest loans to farm youth, producers and processors of Louisiana agricultural products.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Jobs created or sustained <sup>1</sup>	Not applicable <sup>2</sup>	5,810	5,200	5,200	5,800	5,800

<sup>1</sup> Number of jobs determined using a multiplier and impact analysis model.

<sup>2</sup> This is a new indicator that did not appear in the Act for this fiscal year.

2. (KEY) To assist at least 200 students to participate in agriculture-related, organized school projects through the provision of loans for the purchase of stock.

Strategic Link: This objective accomplishes Strategic Objective 1.9 - To provide low interest loans to youth of the state who are members of any 4-H, FFA or other farm youth organization, thereby instilling the sense of the business of agriculture.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of youth with outstanding loans	Not applicable <sup>1</sup>	145	200	200	200	200
K	Number of new loans issued	Not applicable <sup>1</sup>	11	15	15	15	15

<sup>1</sup> This is a new indicator that did not appear in the Act for this fiscal year.

3. (KEY) To provide opportunities of the sale of agricultural products and services to over 16,000 Louisiana Market Bulletin subscribers on a bi-weekly basis at a cost per copy not to exceed \$0.42.

Strategic Link: This objective accomplishes Strategic Objective 2.1 - To compile market reports on livestock, fruits and vegetables, grain, rice, poultry and eggs, and pecans that will aid producers, consumers and distributors in the sale and purchase of the reported commodities.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Cost per copy	Not applicable <sup>1</sup>	Not available <sup>2</sup>	\$0.42	\$0.42	\$0.42	\$0.42
S	Total number of copies of Market Bulletin mailed	Not applicable <sup>1</sup>	425,708	432,000	432,000	432,000	432,000
S	Total number of advertisement opportunities provided	Not applicable <sup>1</sup>	10,412	10,400	10,400	10,400	10,400

<sup>1</sup> This is a new indicator that did not appear in the Act for this fiscal year.

<sup>2</sup> This is a new indicator for which the method of calculating the cost per copy has changed for FY 1999-2000.

4. (KEY) To ensure that accurate and timely information is available to the state's agricultural community the program by ensuring that 16 agriculture market reporters maintain their accreditation with the U.S. Department of Agriculture.

Strategic Link: This objective accomplishes Strategic Objective 2.3 - To maintain training and certification by USDA of livestock brand inspectors, health technicians and meat inspectors to serve as livestock market reporters in order to represent over 95% of cattle sold in Louisiana livestock auction markets.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of accredited reporters	Not applicable <sup>1</sup>	16	16	16	16	16

<sup>1</sup> This is a new indicator that did not appear in the Act for this fiscal year.

5. (KEY) To provide opportunities for at least 225 agricultural and forestry companies to market their products at 8 supermarket promotions and 14 trade shows.

Strategic Link: This objective accomplishes Strategic Objective 3 - To increase the sales of Louisiana food and agricultural products by improving the ability of Louisiana firms and producers to develop and capitalize upon marketing and sales opportunities; and to project a positive image of Louisiana food and agricultural products in the domestic and international marketplace.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Total companies participating	Not applicable <sup>1</sup>	256	275	275	275	225
S	Number of companies participating in trade shows	65	152 <sup>2</sup>	125	125	125	100
S	Number of companies participating in retail promotions	115	104	150	150	150	125

<sup>1</sup> This is a new indicator that did not appear in the Act for this fiscal year.

<sup>2</sup> There was an extra trade show for this year.

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$1,803,736	\$1,730,041	\$1,730,041	\$1,828,849	\$1,622,485	(\$107,556)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	332,237	404,814	404,814	404,996	404,814	0
Statutory Dedications	41,474	154,344	154,344	154,344	154,344	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	59,331	106,163	106,163	107,285	106,163	0
TOTAL MEANS OF FINANCING	<u><u>\$2,236,778</u></u>	<u><u>\$2,395,362</u></u>	<u><u>\$2,395,362</u></u>	<u><u>\$2,495,474</u></u>	<u><u>\$2,287,806</u></u>	<u><u>(\$107,556)</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$919,251	\$902,979	\$986,317	\$1,026,146	\$941,617	(\$44,700)
Other Compensation	8,698	13,428	13,428	13,428	13,428	0
Related Benefits	147,227	160,539	153,378	158,276	149,323	(4,055)
Total Operating Expenses	604,771	905,118	614,627	626,918	608,036	(6,591)
Professional Services	226,891	100,000	226,891	231,428	176,891	(50,000)
Total Other Charges	290,214	281,079	371,885	379,278	369,675	(2,210)
Total Acq. & Major Repairs	39,726	32,219	28,836	60,000	28,836	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$2,236,778</u></u>	<u><u>\$2,395,362</u></u>	<u><u>\$2,395,362</u></u>	<u><u>\$2,495,474</u></u>	<u><u>\$2,287,806</u></u>	<u><u>(\$107,556)</u></u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	11	13	13	13	13	0
Unclassified	11	11	11	11	11	0
TOTAL	<u><u>22</u></u>	<u><u>24</u></u>	<u><u>24</u></u>	<u><u>24</u></u>	<u><u>24</u></u>	<u><u>0</u></u>

## SOURCE OF FUNDING

This program is funded with State General Fund, Fees and Self-generated Revenues, Statutory Dedicated Funds and Federal Funds. The Fees and Self-generated Revenues are generated from: (1) a fee of up to 3% of the total assessments collected for the Rice Research and Promotion Boards, the Soybean and Grain Promotion Board, and the Crawfish Promotion Board; (2) interest collected from the Market Commission Loan Program; (3) reimbursement from the Southern United States Trade Association (SUSTA) for 100% of the director's salary, related benefits, etc.; (4) a fee of \$10.00 collected biannually for subscriptions to the Market Bulletin; and (5) miscellaneous revenues collected for booth rentals at food shows. Statutory Dedicated Revenues are the result of interest income and fees collected with any bonds issued by the Agricultural Finance Authority. (Per R. S. 39:32B.(8), see table below for a listing of expenditures out of each Statutory Dedicated Fund.) The Federal Funds are derived from: (1) USDA for collecting statistical livestock and crop data; (2) USDA for baled pine straw research project; and (3) USDA for telephone costs.

	ACTUAL	ACT 10	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	1998-1999	1999- 2000	1999- 2000	2000 - 2001	2000 - 2001	OVER/(UNDER) EXISTING
Louisiana Agricultural Finance Authority Fund	\$41,474	\$154,344	\$154,344	\$154,344	\$154,344	\$0

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
<b>\$1,730,041</b>	<b>\$2,395,362</b>	<b>24</b>	<b>ACT 10 FISCAL YEAR 1999-2000</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$1,730,041</b>	<b>\$2,395,362</b>	<b>24</b>	<b>EXISTING OPERATING BUDGET – December 3, 1999</b>
\$12,093	\$12,093	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$6,732	\$6,732	0	Classified State Employees Merit Increases for FY 2000-2001
\$28,836	\$28,836	0	Acquisitions & Major Repairs
(\$28,836)	(\$28,836)	0	Non-Recurring Acquisitions & Major Repairs
(\$1,383)	(\$1,383)	0	Salary Base Adjustment
(\$22,788)	(\$22,788)	0	Attrition Adjustment
(\$50,000)	(\$50,000)	0	Continuation of reductions imposed by Executive Order MJF 99-52 in FY 00-01
(\$2,210)	(\$2,210)	0	Other Adjustments - Elimination of funding not required for Interagency Transfers
(\$50,000)	(\$50,000)	0	Other Adjustments - Reductions for Marketing Promotion as directed by Performance Indicators
<b>\$1,622,485</b>	<b>\$2,287,806</b>	<b>24</b>	<b>TOTAL RECOMMENDED</b>
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
<b>\$1,622,485</b>	<b>\$2,287,806</b>	<b>24</b>	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:</b>
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL</b>

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>

**\$1,622,485      \$2,287,806      24      GRAND TOTAL RECOMMENDED**

The total means of financing for this program is recommended at 95.5% of the existing operating budget. It represents 88.9% of the total request (\$2,574,354) for this program. Net decreases in the level of funding for this Program are attributable to reductions in Marketing Promotions and to the continuation of reductions of Professional Services initiated by Executive Order MJF 99-52.

## PROFESSIONAL SERVICES

\$115,433	Legal representation of the Department in the Crawfish Tail meat from China, litigation
\$55,743	Legal representation of the Department, as deemed appropriate and necessary to carry out the mission of the Department
\$5,715	Other Professional Service contracts, Educational, Research, etc., determined to be required and necessary by the Department in order to carry out its mission
<b>\$176,891</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

## OTHER CHARGES

\$10,643	Coordination with the Southern US Trade Association (SUSTA) for representation with the foreign agriculture services of the USDA
\$144,970	Cooperative Endeavor between the Department, Future Farmers of America and LSU for Agriculture related Educational Activities
\$11,245	Cooperative agreement between the Department of Agriculture and Forestry, and the Department of Education for FFA Programs
\$12,759	Cooperative agreement between the Department of Agriculture and Forestry, and Southern University to work with Black youth regarding agricultural activities such as the Junior Livestock Program, Farm Youth Program, etc.
\$45,000	Promotion and expansion of trade of Louisiana agricultural products in Mexico
\$30,000	Media contracts - Gus Weill
\$71,143	Incentives for Louisiana producers of eggs
\$43,915	Marketing of the Soil and Water Lagoon project, Clear Water Program
<b>\$369,675</b>	<b>TOTAL OTHER CHARGES</b>

## ACQUISITIONS AND MAJOR REPAIRS

\$28,836	Replacement of one vehicle with high mileage, and various office furniture and equipment
<b>\$28,836</b>	<b>TOTAL ACQUISITIONS AND MAJOR REPAIRS</b>